

HOUSE BILL 1347

By Matlock

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 6, relative to sales and use taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following language as a new, appropriately designated section:

**§ 67-6-233.** Notwithstanding any provision of this title or any other law to the contrary, if a retail dealer sells a cellular telephone to a consumer who, as part of the transaction contractually agrees to purchase cellular telephone service from a specified cellular telephone service provider for a fixed term of one year or more, then the only tax owed by and collected from the retail dealer under this chapter with regard to the retail sale of the cellular telephone shall be the amount of sales tax owed by the consumer on the purchase price for the telephone and paid by the consumer to the retail dealer.

Notwithstanding any provision of this title or any other law to the contrary, no tax shall be levied on or collected from the retail dealer under this chapter on the amount of any rebate paid from the service provider to the retail dealer for such transaction or on any portion of the purchase price for the telephone paid by the consumer to the cellular telephone service provider.

SECTION 2. This act shall take effect at 12:05 a.m. on July 1, 2007, the public welfare requiring it.